GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:4957
ANSWERED ON:23.12.2014
REGULATOR FOR E COMMERCE
Charitra Shri Ram;Chaudhary Shri P.P.;Dubey Shri Satish Chandra;Girri Shri Maheish;Gopalakrishnan Shri R.;Jayadevan Shri C. N.;Mahajan Smt. Poonam ;Pradhan Shri Nagendra Kumar;Sigriwal Shri Janardan Singh

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the details of business undertaken by various e-marketing/direct selling companies during the last three years;

(b) whether the said companies have been found running any fraudulent schemes in the country during the said period;

(c) if so, the details thereof and the action taken to check such fraudulent activities by e-marketing companies;

(d) whether the Government has set up an inter-ministerial committee for creating a regulatory framework to provide clarity on the working of the said industry; and

(e) if so, the details thereof and the terms and reference of the said committee?

Answer

THE MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a): At present no official data is being compiled on the sector. However, according to the recent joint study report by KPMG & FICCI, size of Indian direct selling industry has grown from Rs 33 billion in 2008-09 to Rs 72 billion in 2012-13.

(b) & (c): As reported by Serious Fraud Investigation Office (SFIO) under M/o Corporate Affairs, Government has referred five cases of companies running fraudulent schemes for investigation.

Based on the investigation report, SFIO has been asked to file prosecution under provisions of Companies Act, 1956 and Indian Penal Code against three companies i.e. Goldquest International Pvt. Ltd. (including its group company Questnet Enterprises Pvt. Ltd.) and Abcindya Networks Pvt. Ltd. Investigation in respect of other two companies (i.e. M/s Unipay2U group of companies and Speakasia Online Pvt. Ltd.) is under examination.

(d) & (e): Yes Madam, the requisite details are at Annexure.